(d) whether Government have considered the impact of this flip-flop on the psyche of the Income tax assessees; and

(e) if so, whether Government in interest of healthy tax regime, categorically specify the current status about the introduction of form 2F?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) In some quarters, a view has been expressed that the new Form No. 2F is not so Saral . In this regard, the Government has clarified at different fora that the new Form No. 2F is essentially an expanded version of the existing Naya Saral so as to provide more space to fill out the details. Further, the cash flow statement in Form No. 2F is intended to protect the salaried taxpayers from any intrusive investigation.

(c) There is no flip-flop on the scope/desirability of introducing Form No. 2F.

(d) Does not arise in view of reply to Part (c).

(e) A salaried taxpayer has the option of filing Form No. 2F or the Naya Saral or Form No. 2D or Form No. 3. However, the Naya Saral will be discontinued after 31st July, 2006, but the salaried taxpayer will have to option to file his return thereafter in Form No. 2F or Form No. 2D or Form No. 3. Even where a person chooses to file Form No. 2F or form No. 3, he has the option of not filling out the cash flow statement.

Anomaly applications pertaining to Pay Commission

771. SHRI PRAVEEN RAHTRAPAL: Will the Minister of FINANCE be pleased to state:

(a) whether an announcement has been made by Prime Minister regarding appointment of Central Pay Commission; if so, the status thereof;

(b) whether the Ministry have attended to various anomaly applications filed by the employees against the last Pay Commission; and

(c) how many such applications are pending concerning the Departments of Income-Tax, Central Excise and Customs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Government on July 20, 2006 has decided to set up the next Central Pay Commission. A notification for setting up of the Sixth Central Pay Commission is to be made shortly.

(b) Ministry of Finance has been attending to various proposals received from Ministries/Departments for rectification of anomalies raised by the affected employees.

(c) The information is being collected and will be placed on the Table of the House.

Rationalisation of duty structure on drugs in Gujarat

772. SHRI PRAVEEN RASHTRAPAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of negative impact on Gujarat pharmaceuticals industry due to incentives given to other States;

(b) whether there is any request from the State Government of Gujarat for rationalisation of rates and duty structure on drugs and pharma products; and

(c) what action is being taken to assist industry in Gujarat State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Government has given fiscal incentives to special category states to encourage industrial development of certain area. It is not possible to comment on whether such incentives have adversely affected the pharmaceutical industries of Gujarat.

(b) The Government had received a reference from Chief Minister of Gujarat requesting (i) to increase the abatement from retail price from 40% to 50% and (ii) to reduce excise duty on medicines from 16% to 8%

(c) The representation was examined and it was decided not to make any change in the excise duty structure on drugs.